### BEFORE THE FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

In the Matter of	)	
	)	
2018 Quadrennial Regulatory Review –	)	
Review of the Commission's Broadcast	)	MB Docket No. 18-349
Ownership Rules and Other Rules Adopted	)	
Pursuant to Section 202 of the	)	
Telecommunications Act of 1996	ĺ	

SUPPLEMENTAL REPLY COMMENTS OF IHEARTCOMMUNICATIONS, INC.

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### SUPPLEMENTAL REPLY COMMENTS OF IHEARTCOMMUNICATIONS, INC.

#### I. INTRODUCTION AND SUMMARY.

iHeartCommunications, Inc. ("iHeartMedia or iHeart") respectfully submits these

Supplemental Reply Comments in response to the Federal Communications Commission's June

4, 2021, Public Notice, requesting commenters to refresh the record in the 2018 Quadrennial

Review. 1

The Comments pertaining to the local broadcast radio ownership rules filed by interested parties refreshing the record in response to the Public Notice almost uniformly reaffirm the positions taken in the initial round of Comments and Reply Comments, in some cases, providing new, supporting studies and data. Thus, the National Association of Black Owned Broadcasters ("NABOB"), the Multicultural Media, Telecommunications and Internet Council ("MMTC"), Free Press, the United Church of Christ, OC, Inc. and joint filers ("UCC"), all advocate in favor of retaining or even tightening the existing local radio ownership rules. At the opposite end of

<sup>&</sup>lt;sup>1</sup> Public Notice in MB 18-349 (June 4, 2021) ("Public Notice"); See also, 2018 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, MB Docket No. 18-349, Notice of Proposed Rulemaking, 33 FCC Rcd 12111 (2018) ("NPRM").

the spectrum, the National Association of Broadcasters ("NAB"), Connoisseur Media, LLC and other broadcasters filing jointly with it ("Connoisseur Joint Commenters"), and Press Communications, LLC ("Press"), favor aggressive relaxation and, in some instances, elimination of the local radio ownership rules applying to both AM and FM stations. In our supplementary comments, iHeart reiterates a "middle ground" view that eliminating the limits on AM stations, but retaining them on FM stations, would best serve the public interest objectives of competition, localism and diversity to be considered in this Quadrennial Review. As noted in iHeart's previous filings, the guiding principle for the FCC in this proceeding should be to do no harm. Indeed, iHeart continues to believe that relaxation of the FM ownership limits would exacerbate the perilous competitive disadvantage of AM stations in relation to their FM counterparts, with consequent harm to localism, diversity, public safety and national security, and serve to undermine the Commission's Incubator program.

The studies and data provided by the parties in support of their positions also yield few surprises. NAB and Connoisseur Joint Commenters proffer studies showing that broadcast radio as a whole was hit hard by the economic shock waves that followed in the wake of the pandemic, reflected by declines in both audience listening and advertising revenue in the past two years. In light of the precipitous drops in driving and local retail shopping, sharp (albeit short-lived) declines in listenership and advertising for broadcast radio were unavoidable. However, these studies focus on the acceleration of unfavorable trends for radio broadcasters as a function of the growth and business practices of "Big Tech," specifically Facebook and Google. They analyze these developments within the context of a relevant market definition that encompasses all audio services and digital as well as more traditional advertising, again reflecting previous filings in this proceeding.

What is surprising is the reassertion by those favoring FM ownership rules relaxation that the Commission should confine its consideration to competition-related impacts rather than the broader public interest test, including localism and diversity, in light of the Supreme Court's refusal to accept the identical argument.<sup>2</sup> Equally remarkable is the continued advocacy for a very broad relevant market definition, including all audio services and digital advertising, considering the Department of Justice and the Federal Trade Commission ("FTC") expressly reject that definition in their antitrust actions filed against Google and Facebook.<sup>3</sup> As a consequence, iHeart respectfully suggests that the lens through which the proponents of FM ownership rules relaxation asks the Commission to view its analysis and supporting data requires a major correction. When viewed through the proper lens, it is crystal clear that any potential benefit that might result from the relaxation of the local FM ownership limits would be dwarfed by the very serious harm it would do to competition within the relevant broadcast radio market; localism; and diversity.

# II. THE NAB'S FURTHER COMMENTS DISREGARD THE HOLDING OF THE SUPREME COURT AND ARE INCONSISTENT WITH THE GOVERNMENT'S POSITION IN THE GOOGLE AND FACEBOOK ANTITRUST ACTIONS.

A. The Supreme Court's decision in FCC v. Prometheus Radio Project Reaffirmed the Appropriateness of the Commission's Historic Analysis of Competition, Localism and Diversity in Conducting Quadrennial Reviews.

Since Congress enacted Section 202(h) of the Telecommunications Act of 1996, mandating initially a biennial review of broadcast regulations and subsequently amending it to a

<sup>&</sup>lt;sup>2</sup> FCC v. Prometheus Radio Project, 592 U.S. (2021), Case Nos. 19-1231 and 19-1241, Slip Op. at 7-8.

<sup>&</sup>lt;sup>3</sup> <u>United States v. Google</u>, 20-cv-03010 (D.D.C.), filed October 20, 2020 ("<u>United States v. Google</u>"); <u>FTC v. Facebook</u>, 20-cv-03590 (D.D.C.), filed December 11, 2020, first amended complaint filed August 10, 2021 ("<u>FTC v. Facebook</u>").

quadrennial review,<sup>4</sup> the Commission has always considered the impact of marketplace developments on competition, localism and diversity.<sup>5</sup>

In its appeal of the United States Court of Appeals decision for the Third Circuit in Prometheus Radio Project v. FCC, 939 F.3d 567 (3<sup>rd</sup> Cir. 2019), the NAB argued vigorously before the Supreme Court that the Commission's Quadrennial Review should have been limited only to competition: "Section 202(h) requires the Commission to assess its ownership rules in light of one factor and one factor only: 'competition.'" Indeed, the NAB devoted much of its brief, and a considerable portion of its oral argument to its contention that the Commission is restricted to considering broadcast rules changes within the context of the Quadrennial Review to the impact on competition. Yet the Court declined to rest its holding on that ground, implicitly rejecting the argument. Instead, the Court found that the FCC's determination was "reasonable and reasonably explained," reaffirming the FCC's "broad authority to regulate broadcast media 'as public convenience, interest and necessity requires...The FCC has long explained that the ownership rules seek to promote competition, localism and viewpoint diversity by ensuring that a small number of parties do not dominate a particular media market."

Notwithstanding the Supreme Court's rejection, just six months ago, of this more narrow view of the FCC's authority in conducting Quadrennial Reviews, the NAB's Comments updating the record in this proceeding ("NAB Further Comments") urged the Commission to adopt

<sup>&</sup>lt;sup>4</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, Sec. 202(h), 110 Stat.56, 111-12 (1996) ("1996 Act"); Consolidated Appropriations Act, 2004, Pub. L. No. 108-199, Sec. 629, 118 Stat.3, 99-100 (2004) ("Appropriations Act") (amending Sections 202(c) and 202(h) of the 1996 Act).

<sup>&</sup>lt;sup>5</sup> See, e.g., In the Matter of 2014 Quadrennial Review—Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996 et.al, Second Report and Order, FCC 16-107 (2016) at para. 16: "We continue to find that the longstanding policy goals of competition, localism, and diversity represent the appropriate framework within which to evaluate our media ownership rules."

<sup>6</sup> NAB Brief at 25.

<sup>&</sup>lt;sup>7</sup> See, n.2, supra.

precisely that narrowly circumscribed approach. Just as it had done before the Supreme Court, the NAB devoted a very significant portion of its Further Comments to that argument. <sup>8</sup> Indeed, despite the Court's ruling to the contrary, the NAB repeated its argument: "Competition is the only public interest factor Congress specifically identified, and that singular status indicates its preeminence as the driver of the FCC's required analysis."

Were the Commission to accept NAB's core legal contention, the FCC would not be compelled to address the heightened role AM radio stations play in providing local news and information, and which are relied upon heavily by local audiences in times of crisis or emergency. <sup>10</sup> Similarly, the Commission would not have to deal with viewpoint diversity or for that matter, ownership diversity – long viewed by the Commission as a proxy for viewpoint diversity. <sup>11</sup> It also might not be required to address the negative implications of generalized relaxation of FM ownership limits for the success of the Incubator Program, principally because the proposal would eliminate the indispensable financial incentives to incubate minority and woman-owned radio stations. <sup>12</sup>

But why would the Commission voluntarily limit its consideration of the factors in conducting this Quadrennial Review to competition only when the Supreme Court has just reaffirmed the reasonableness of considering localism and diversity? iHeart respectfully submits that there is no reason to do so, and the Commission should follow its precedents and the Supreme Court's <u>Prometheus Radio Project</u> decision and similarly decline to adopt the more narrow, competition-only analysis.

<sup>&</sup>lt;sup>8</sup> See NAB Further Comments at 38-55.

<sup>&</sup>lt;sup>10</sup> See, iHeart Comments at 20-26; iHeart Supplemental Comments at 13-22.

<sup>&</sup>lt;sup>11</sup> See, e.g., 17 FCC Rcd.18503, 18519, para.41, and n.116, 18521, para.50 (2002).

<sup>&</sup>lt;sup>12</sup> See, iHeart Comments at 33-35; iHeart Supplemental Comments at 28-30.

B. <u>iHeart's Definition of the Relevant Market Is Supported By the Department of Justice and the FTC and Is Consistent With the Market Definition Underpinning the Antitrust Actions Brought by the United States Against Google and Facebook.</u>

In its Further Comments, NAB relied heavily on the Department of Justice Antitrust Division's "Workshop on Competition in Television and Digital Advertising" ("the Workshop") conducted on May 2-3, 2019, to advocate in favor of the FCC adopting a very broad relevant market definition encompassing all audio services and digital advertising. NAB referred to the "significant empirical evidence submitted by the Department of Justice" as supporting NAB's position.<sup>13</sup>

However, in his transmittal letter asking that the transcript of the Workshop be included in the record of this proceeding, then-Assistant Attorney General Makan Delrahim, after noting that the Workshop addressed "many of the issues presented in this proceeding," disclaimed any endorsement: "Although we do not endorse any specific views or analyses reflected in these materials, we always encourage a robust dialogue on issues of public policy, and share them with the Commission in its consideration of this proceeding." In fact, in his opening remarks launching the Workshop, the then-Assistant Attorney General highlighted a key question for the Workshop: "Although they have embraced digital advertising, we must understand if advertisers view advertising on digital media as a substitute to television or as a useful complement." 15

Any inference that the Department of Justice supports this broad view of the relevant market was, of course, conclusively rebutted when the Department of Justice filed its antitrust action against Google and when the FTC filed its antitrust action against Facebook. As iHeart discussed in detail in its Supplemental Comments, both actions explicitly rejected the notion of

<sup>&</sup>lt;sup>13</sup> NAB Further Comments at 61.

<sup>&</sup>lt;sup>14</sup> January 6, 2021, ex parte letter Makan Delrahim to Marlene H. Dortch.

<sup>&</sup>lt;sup>15</sup> Workshop Transcript at 6.

one very broad advertising market and concluded that digital advertising, social advertising (in the case of Facebook), and search advertising (in the case of Google) were separate and distinct from TV and radio advertising and not substitutable for it. <sup>16</sup> In its Further Comments, NAB hardly acknowledges these antitrust actions, nor does it attempt to reconcile the position they take regarding the definition of the relevant market with NAB's position here. <sup>17</sup> Were the Commission to accept such an expansive definition of the relevant market, and one clearly at odds with that taken by the federal government in the Google and Facebook antitrust cases, Google and Facebook doubtless would seize upon that determination as part of their defense. <sup>18</sup>

# III. THOSE PROMOTING FM OWNERSHIP RULES RELAXATION DO NOT ADDRESS THE COMPETITIVE DISPARITY BETWEEN AM AND FM STATIONS, IGNORING THE RESULING HARM TO COMPETITION.

A. Those Promoting FM Ownership Rules Relaxation Focus Exclusively on Competition Between Radio Broadcasters and Everybody Else in the Audio Services and Advertising Ecosystems.

NAB's Further Comments and the studies and related data attached to them all address the state of competition between broadcast radio (and TV)<sup>19</sup> and everybody else, including satellite radio, digital streaming services, such as Pandora, and Facebook and Google.<sup>20</sup> The BIA Advisory Services study, "Economic Impact of Big Tech Platforms on the Viability of Local

<sup>&</sup>lt;sup>16</sup> See iHeart Supplemental Comments at 9-11.

<sup>&</sup>lt;sup>17</sup> Similarly, as iHeart observed in its Supplemental Comments, the proponents of aggressive FM ownership rules relaxation do not address the inconsistency between their proposals and the Executive Order on Competition issued by President Biden on July 9, 2021.

<sup>&</sup>lt;sup>18</sup> For a highly relevant discussion of the interrelationship between the issues of market definition and dominance and their essentiality in antitrust actions, see the decision of Judge James Boasberg, dismissing without prejudice the initial complaint in <u>FTC v. Facebook</u>, 20-cv-03590 (D.D.C.), Memorandum Opinion at 19-26, June 28, 2021. See, also, <u>In re Google Digital Advertising Antitrust Litigation</u>, 20-cv-03556 (N.D. Cal), Order Granting Motion with Leave to Amend (May 13, 2021.)

<sup>&</sup>lt;sup>19</sup> It is perfectly understandable that the Further Comments group together radio and television because they deal with separate ownership rules for both media. It is important to note, however, that radio listening and TV viewing have different characteristics with resulting different impacts on audience consumption. For example, the majority of radio listeners do so out of the home while almost all TV viewing occurs within the home. During the pandemic, radio reach remained relatively stable while TV lost a greater share of its audience.

<sup>&</sup>lt;sup>20</sup> See, NAB Further Comments at 23-28, 55-63.

Broadcast News," which is relied upon heavily,<sup>21</sup> catalogues a long list of "Big Tech" business practices that hurt local broadcasters. All the remaining, supporting analyses and data NAB provide addressing audience listening and advertising revenue lump together AM and FM stations as broadcast radio and fail to disaggregate AM and FM or provide a perspective on the competitive effects of the imbalance between them.<sup>22</sup>

Others take a similar approach, maintaining that this vast ecosystem is one giant market, <sup>23</sup> consolidating AM and FM listening when analyzing audience listening to broadcast radio, <sup>24</sup> and grouping all AM and FM stations when analyzing advertising revenue. <sup>25</sup> Other studies relied upon by those supporting FM ownership rules relaxation similarly fail to distinguish between AM and FM services. <sup>26</sup>

In short, those supporting FM ownership rules relaxation have urged the FCC to adopt what Stanford University Professor Susan Athey characterized derisively at the Department of Justice Workshop as the "big soup" theory of relevant markets. <sup>27</sup> By not examining the relevant competitive situation within the broadcast radio market, the market that the Commission uniformly has determined to be the relevant market in Quadrennial Reviews and that the Department of Justice and the FTC have concluded is separate from the digital advertising market, they fail to consider the competitive harm to AM radio stations that would flow from relaxing or outright eliminating the local FM ownership caps.

<sup>&</sup>lt;sup>21</sup> Attachment B to NAB Further Comments.

<sup>&</sup>lt;sup>22</sup> NAB Further Comments, Attachments C, F and G.

<sup>&</sup>lt;sup>23</sup> Further Joint Comments at 7.

<sup>&</sup>lt;sup>24</sup> Id. at 14-20.

<sup>&</sup>lt;sup>25</sup> Id. at 22-28.

<sup>&</sup>lt;sup>26</sup> See Id. at Attachment A (Edison Research Institute's "Share of Ear" study utilizes many charts and graphs, all of which break down audience listening only by AM/FM versus other audio and online services) And Id. at Attachment B (Borrell's study, "Tomorrow's Media Understood Today," breaks down advertising revenue by media categories, consolidating AM and FM stations under a single broadcast radio category).

<sup>&</sup>lt;sup>27</sup> Workshop Transcript at 12-13.

B. The Latest Comments in this Quadrennial Review Offer Additional Evidence that Relaxation of FM Ownership Limits Would Harm Competition in the Broadcast Radio Market.

In the first round of Comments and Reply Comments in this Quadrennial Review, abundant evidence was introduced about the competitive harm to AM radio that would result if the Commission were to grant the proposal of those seeking to relax or even eliminate FM ownership rules. iHeart has discussed at length, supported by quantitative analysis, the competitive disadvantage faced by AM radio stations relative to their FM peers. We observed that relaxation or elimination of FM ownership likely would increase dramatically that competitive disparity as measured by both audience listening and advertising revenue, sparking a shift in investment of capital and resources from AM to FM stations, a consequent devaluation of AM stations, and potentially triggering a mass migration from AM to FM that would imperil the historic role that AM radio has played in serving the public interest. Salem Media Group, Crawford Broadcasting, and the MMTC31 all express similar profound concerns.

In this round of Comments, NABOB added its voice to the chorus: "Any elimination or relaxation of the Subcaps rule would be particularly damaging for the AM industry as a whole, in addition to being damaging to African American station owners." NABOB also addressed the ripple effects of adoption of FM ownership relaxation: "If these companies were given permission to abandon AM radio as part of their market maximization strategies, AM equipment

<sup>28</sup> iHeart Comments at 31-33.

<sup>&</sup>lt;sup>29</sup> Salem Media Group Comments at 4,6.

<sup>&</sup>lt;sup>30</sup> Crawford Broadcasting Company Comments at 2.

<sup>&</sup>lt;sup>31</sup> MMTC Comments at 8.

<sup>&</sup>lt;sup>32</sup> NABOB Comments at 2.

suppliers, engineers, and consultants would suffer a significant loss of their best customers and employers."<sup>33</sup>

- IV. WHILE INTEGER TO LOCAL RADIO POSED BY BIG TECH, THOSE SUPPORTING FM OWNERSHIP RULES RELAXATION FAIL TO EVALUATE PROPERLY THE COMPARATIVE HARMS AND BENEFITS OF THEIR PROPOSAL.
  - A. <u>Proponents of Relaxing FM Ownership Limits Fail to Show How Their Solution Addresses The Economic Challenges Faced by Broadcast Radio.</u>

There is no argument among radio broadcasters that local stations face daunting competitive challenges from digital media. The NAB chronicles these challenges,<sup>34</sup> even analogizing the current plight of the broadcast industry to that of newspapers a decade ago,<sup>35</sup> and describing the dominance of "Big Tech" in content discovery and digital advertising and its use of unfair and anticompetitive business practices to damage broadcasters.<sup>36</sup>

The magnitude of the challenge, however, is far greater than what might possibly be achieved were the FCC to adopt its proposal to substantially relax the FM ownership caps in the top 75 markets and eliminate them in remaining markets. For the sake of argument, <sup>37</sup> even if the FCC were to credit fully the benefits that some claim would flow from increased cost efficiencies and economies of scale resulting from aggressive relaxation of the FM ownership limits, they hardly would make the slightest difference in surmounting the barriers posed by "Big Tech." For example, the BIA study relied upon by NAB does not assume any increase in

<sup>&</sup>lt;sup>33</sup> Id. at 13.

<sup>&</sup>lt;sup>34</sup> NAB Further Comments at 6-9.

<sup>&</sup>lt;sup>35</sup> NAB Further Comments at 22-23.

<sup>&</sup>lt;sup>36</sup> NAB Further Comments at Attachment B (describing specific anticompetitive practices and resulting harm of nearly \$2 billion dollars to TV and radio broadcasters).

<sup>&</sup>lt;sup>37</sup> iHeart has expressed skepticism about these purported benefits. See iHeart Reply Comments at 21-24.

advertising revenue, and yet, NAB has focused on loss of advertising revenue to digital media as the heart of the competitive problem faced by broadcast radio.

Perhaps even more significantly, the advocacy for a redefinition of the relevant market to encompass all audio services and digital advertising could unintentionally do far more harm than good in the effort to address the market power and alleged unfair practices of Facebook and Google. The more expansively the market is defined, the less likely that an antitrust agency will be able to prove market dominance, a prerequisite to obtaining the kind of relief that the NAB appears to believe is necessary.<sup>38</sup>

B. The Competitive Harm To AM Stations, Especially Minority and Woman-Owned Stations, That Would Result From Relaxation of FM Ownership Rules Is Far Greater Than the Benefits That Could Flow From Doing So.

The lack of focus by proponents of FM ownership rules relaxation on the state of competition in the broadcast radio market – specifically the tremendous competitive disadvantage of AM relative to FM stations and the consequent economic vulnerability of AM stations – leads directly to an analytical failure to balance the harms against the benefits of that proposal. The Commission would be required to make such an assessment to comply with the Supreme Court's test articulated in the <u>Prometheus</u> decision that the FCC decision be "reasonable and reasonably explained."

As summarized briefly in these Supplemental Reply Comments<sup>39</sup> and discussed in far greater detail in iHeart's previous filings in this proceeding,<sup>40</sup> the benefits of FM ownership rules relaxation are dubious and would be disproportionately small to the problem the radio industry seeks to address. The competitive harms to AM radio stations could be cataclysmic with

<sup>39</sup> iHeart Supplemental Reply Comments, supra.

<sup>&</sup>lt;sup>38</sup> See, n.18, supra.

<sup>&</sup>lt;sup>40</sup> See, iHeart Comments at 18-24, 29-35; iHeart Reply Comments at 21-26; iHeart Supplemental Comments at 25-26, 28-30.

derivative harm to the elevated public interest role they fulfill as a beacon for listeners in times of crisis, a pillar of our national security infrastructure through the Federal Emergency Management Agency's (FEMA) National Public Warning System (NPWS), and a lower cost gateway for greater minority and woman ownership of radio stations. Additionally, relaxation of FM ownership could well be fatal to the Incubator program, the best, most immediate hope for increasing minority and women ownership of broadcast properties.<sup>41</sup>

- V. iHEART'S PROPOSAL TO ELIMINATE THE LOCAL RADIO OWNERSHIP LIMITS ON AM STATIONS WHILE RETAINING THEM FOR FM STATIONS IS REASONABLE AND REASONABLY EXPLAINED AS SERVING THE PUBLIC INTEREST.
  - A. <u>iHeart's Proposal Has a Reasonable Prospect of Yielding Benefits for Competition in the Relevant Broadcast Radio Market Without the Risks of Harms Posed by Relaxation of FM Ownership Limits.</u>

iHeart's proposal to eliminate the limits on local ownership of AM radio stations while retaining the limits on FM stations offers all of the possible benefits of increased competition in the broadcast radio market with none of the risks of harm to competition posed by relaxation of FM ownership limits. iHeart's proposal is targeted directly and narrowly to reduce the competitive disadvantage faced by AM radio in the market today. In light of the current economic fragility of many AM stations and the relatively low demand for acquisition of AM stations, it does not pose a risk of excessive concentration. It offers the possibility for AM stations to benefit from the same cost efficiencies and economies of scale touted by those advocating for FM ownership rules relaxation. It has the potential to create opportunities for increased minority and woman ownership as AM station acquisitions are more affordable. It is aligned with and in furtherance of the Commission's AM Revitalization proceeding. It would not

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<sup>&</sup>lt;sup>41</sup> See, e.g., Further Comments of MMTC at 2.

endanger the Incubator program. In fact, it holds promise for creating new, market-based opportunities to enable that program to succeed in its all-important objective of increasing ownership of broadcast properties by people of color and women.

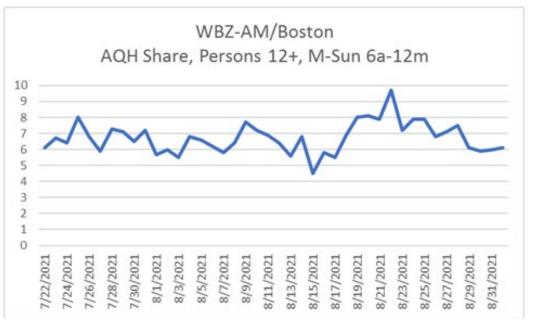
B. <u>Commission Adoption of iHeart's Proposal Will Produce Important Public Interest Benefits Beyond Positively Impacting Competition.</u>

iHeart maintains an optimistic view of broadcast radio's future as we emerge from the COVID-19 pandemic. iHeart notes that the BIA Advisory Services Study, Attachment B to the NAB's Further Comments, does not explain the basis for its prediction that broadcast radio will not reach its pre-pandemic levels through 2025. Although iHeart acknowledges that the economic dislocation resulting from the pandemic hit broadcast radio especially hard, we are hopeful for a radio rebound but believe that there remains too much uncertainty to make predictions about the nature and extent of the economic recovery in general, and radio's rebound in particular. That said, broadcast radio certainly faces many challenges. We believe that the best way to meet these challenges is to double down on what we are obligated to do and what we do best – serve the public interest – including strengthening localism and enhancing viewpoint diversity and, derivatively, ownership diversity. Modernization and innovation are essential if broadcast radio is to continue to discharge its public interest responsibilities. We believe that Commission adoption of our proposal will assist us in that mission.

As iHeart has discussed in its filings in this Quadrennial Review, communities rely heavily on their local AM radio stations in emergencies or times of crisis. It is no coincidence that audience listening spikes upward in such times because, in addition to providing critical, often life-saving information, listeners have developed a bond of trust with their local station's on-air talent. This pattern of sharply increased listening to AM stations was demonstrated once again very recently when Hurricane Henri threatened and then made landfall in New England in

late August. Boston's AM radio stations experienced double-digit audience listening growth in the week surrounding the arrival of Hurricane Henri, culminating in a week-over-week spike of 34 percent on August 22. On that day, as reflected below, WBZ, iHeart's Boston AM station, had an elevated market share of 9.7 percent.

### Hurricane Henri (8/22/2021)



Boston AM Stations

+31%

+12%

AQH Persons, P12+, Week-over-week Growth										
8/19/2021	8/20/2021	8/21/2021	8/22/2021	8/23/2021	8/24/2021	8/25/2021				

+10%

+34%

+24%

+50%

+11%

The special contributions that AM radio stations make to the communities they serve extend well beyond providing emergency information about current weather or other threatening local conditions. A particularly moving example of AM radio's critical importance at these times is WWL-AM, New Orleans. A recent press report<sup>42</sup> describes how 19 WWL employees, including engineers, program producers, local news reporters and local, on-air personalities

<sup>&</sup>lt;sup>42</sup> Bailey, Holly. "After Ida, New Orleans residents find a source of hope: The 'hurricane station." *The Washington Post*, September 1, 2021, <a href="https://www.washingtonpost.com/nation/2021/09/08/new-orleans-ida-radio-wwl/">https://www.washingtonpost.com/nation/2021/09/08/new-orleans-ida-radio-wwl/</a>.

moved into the station's offices and kept WWL on air 24/7 throughout Hurricane Ida and its aftermath. The hurricane's damaging winds and rain left almost all of New Orleans' residents without electricity, which was particularly dangerous in light of flooding, heavily damaged homes, and life-threatening heat and humidity. As other means of communication were out of service—no Internet, no cell phones, no television—WWL, powered by a generator, remained on-air, and not only provided critical health and safety information but also served as a community clearinghouse, convenor and facilitator, linking listeners in trouble with others who could help.

The role of AM radio during these disasters extends to areas adjacent to the central locations of impact. For example, following Hurricane Ida, iHeart's KTRH-AM in Houston teamed with Mattress Mack and Gallery Furniture on an initiative that resulted in over 100 truckloads of supplies being sent to New Orleans, drawing upon the sense of kinship between the two cities since Hurricane Katrina drove tens of thousands of New Orleans residents to resettle in Houston.

Similarly, the essential role of service to communities that AM radio plays was on full display this summer following the tragic collapse of Champlain Towers South in Surfside, Florida. Beyond its constant news coverage of the event, iHeart's WIOD-AM and its employees spearheaded an effort to assist the victims and the first responders attempting to locate and save residents trapped in the rubble. iHeart's local sales team harnessed its advertising relationships within the locality, resulting in the collection and distribution of more than 500 bags of critical supplies to first responders at the collapse site. WIOD-AM also was a leader in local, in-depth explanation of the causes of the disaster, airing public affairs programming with the former head

of Florida's Emergency Management Agency who discussed signs of damage to building structures.

The consistent dedication and commitment of these stations and their staff highlights the special role that AM radio stations serve in emergencies, a critically important aspect of advancing the interest of localism. The Commission should use this Quadrennial Review to strengthen the capacity of AM stations to fulfill that mission.

As discussed in some detail in iHeart's Supplemental Comments, iHeart converted and rebranded nearly two dozen AM radio stations in areas with large Black populations to be the anchors for distribution of its newly launched Black Information Network ("BIN"). The mission of BIN is to provide news and information through a perspective of particular interest to the Black community. Indeed, iHeart's BIN station in New Orleans, WODT-AM, was one of the first radio stations back on the air after Hurricane Ida made landfall, initially teaming with other local broadcast stations to provide emergency information and then offering special BIN-provided local programming focused on the needs of the Black community and the resources available within the predominantly Black areas of New Orleans. 43

This is an example of how radio broadcasters can advance the public interest by reimagining the constructive role that AM radio stations can play in the communities they serve.

Again, the Commission is in a position to facilitate such progress by bolstering the economic underpinnings of the AM band in this Quadrennial Review.

More economically viable AM stations also will enable broadcast radio to innovate more aggressively, taking advantage of its ties to the local community to strengthen their podcasting

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<sup>&</sup>lt;sup>43</sup> "How iHeart New Orleans Helped Evacuate Ida-Trapped Seniors While Illuminating A Statewide Problem." *Inside Radio*, September 15, 2021, http://www.insideradio.com/free/how-iheart-new-orleans-helped-evacuate-ida-trapped-seniors-while-illuminating-a-statewide-problem/article a9b36bb0-15f1-11ec-b879-2bf35c19e101.html

and digital streaming capabilities. Exploiting synergies between the traditional broadcast radio business and empowering digital technologies is crucial to fulfilling the promise of a post-pandemic rebound for the broadcast radio industry.

#### VI. CONCLUSION

The Comments filed in response to the Commission's Public Notice to refresh the record in this Quadrennial Review reinforce the overriding importance of the Commission doing no harm in this proceeding. By applying the public interest test to pre- and post-pandemic developments in the relevant broadcast radio market and balancing carefully the potential benefits and harms of all proposals, the Commission can safeguard against a harmful outcome. And by adopting iHeart's proposal to eliminate all ownership limits on AM stations and retain current ownership limits on FM stations, the Commission could do some good.

Respectfully submitted,

iHeartCommunications, Inc.

By: /s/ Jessica Marventano
Jessica Marventano, Esq.
Senior Vice President, Government Affairs iHeartMedia, Inc.
419 7th Street, NW, Suite 500
Washington, DC 20004
202-289-3225
JessicaMarventano@iheartmedia.com

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